

Published in the San Diego Union Tribune on August 5, 2011

In some way, we have all seen or been touched by the benefits of medical technology. Decades of advancements in life sciences and device manufacturing are helping people live longer, more productive lives and give hope to countless individuals and families.

The advancements are profound. Breakthroughs in insulin delivery equipment are improving the quality of life for diabetics and significantly reducing the risk of health complications in later years. Emerging diagnostics and treatments are improving the lives of cancer patients while new materials are speeding up the process of recovery for so many others.

These are only a few of the many successes made possible through the development of medical device technology. The United States has always been a leader in this field, with many of the companies sparking this innovation located in San Diego County.

Statewide, the medical device technology industry provides more than 80,000 jobs, with an annual aggregate payroll of \$5.3 billion. In San Diego, more than 24,000 jobs are connected to the life-science industry, according to a 2011 report from the California Healthcare Institute. In terms of jobs and revenue, life-science research and medical device manufacturing are essential components of our local and state economy.

It makes sense to encourage research and development in these areas for reasons related to individual health and economic strength; however, a major threat has emerged that stands to stifle innovation, destroy jobs and threatens the health of millions of Americans. Buried within the Patient Protection and Affordable Care Act (PPACA), the new health care reform law, is a \$20 billion tax on innovative medical device companies set to go into effect in 2013.

To those who helped push the PPACA through Congress, the tax is viewed as a valuable revenue source to help bridge the extraordinary cost of providing new benefits and services. In reality, it's a direct attack on jobs and innovation.

The overriding fear is that companies will severely curtail investment in research and development. Under a scenario in which research and development is cut by half, it's estimated that as many as 33,000 jobs in California would be lost. A 25 percent reduction in research and development would result in 11,000 jobs destroyed.

It's through these jobs that innovation occurs and, with fewer jobs in California and nationwide, new opportunities for advancement will be lost. And, with the new tax, even more money will be directed to meet tax obligations instead of discovering the next cure or inventing the latest groundbreaking medical device. Think of the young child with diabetes who longs for something better than painful insulin shots. Think of people with chronic lung diseases who need ventilators to breathe. Think of the chemo patient whose portacath ensures nurses can always find a safe place to stick a needle and help protect against infection.

The House of Representatives has voted to repeal the PPACA on multiple occasions and will continue the push to provide affordable care to every American without burdening businesses and taxpayers. Until then, repealing the tax on medical device manufacturers is a necessary step toward ensuring that American device manufacturers stay at the forefront of innovation.

We've introduced legislation in the House, H.R. 734, to repeal the medical device tax and provide a discretionary funding offset. Sen. Scott Brown, R-Mass., has introduced similar legislation in the Senate, showing strong support in both houses of Congress for turning back the tax and eliminating the uncertainty it creates.

Excessive taxes on businesses are never productive, and in this particular instance there's far too much at risk. We all have a stake in new medical technology. And it's quite possible that any one of us, or someone we love, might someday benefit from a new treatment or device. That is why it is important to keep researching and developing technologies that improve health and save lives.